GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3733
ANSWERED ON:13.12.2002
NON-DISBURSEMENT OF FUNDS UNDER MDA SCHEME
KOLUR BASAVANAGOUD

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Chemxcil an export promotion body set up by his Ministry is not disbursing funds allocated under MDA scheme for LAC countries specially to exporter of North Zone, whose applications had been approved;

(b) if so, the reasons therefor; and

(c) the action taken by the Government in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (c) A series of financial irregularities committed in Chemexcil have been unearthed by an Audit Team of Department of Commerce and also by a team from the Office of Comptroller and Auditor General of India.Therefore, as part of steps being taken to prevent misuse of Government funds by Chemexcil, release of funds to Chemexcil under Market Development Assistance Scheme has been suspended temporarily till various issues affecting the council are sorted out. Therefore, Chemexcil is not in a position for the time being to disburse funds to any of the exporters, including exporters to LAC countries.